ROI

RETURN ON INVESTMENT

Opposite: Twenty three students packed into a PT Cruiser as part of a Welcome Week challenge at Palliser, beating the efforts of their northern counterparts at Woodland

Contents

Letter of Transmittal 2
Message from the Chair 3
SIAST Board of Directors 6
Message from the President 7
Retrospective 10-27
Enrolment Figures 28
SIAST Workforce 29
Strategic Objectives 30

Financials

Management Discussion and Analysis 32-35
Management Report 36
Auditors' Report 37
Financial Statements 38-40
Notes to Financial Statements 41-47
SIAST Senior Management 48

Mission

SIAST is Saskatchewan's primary public institution for the development and delivery of post-secondary technical education and skills training. We share knowledge, provide skills training and engage in applied research, meeting the needs of students, employers and our communities.

Vision

SIAST is a leader in superior education, focused on students and lifelong learning – a catalyst for advancing the social and economic prosperity of Saskatchewan.

Values

Individually and collectively, the SIAST community will achieve its vision by adhering to the following values and principles:

- Communication. We engage in open, focused communications with stakeholders in the pursuit of common goals.
- Involvement. We are involved meaningfully in decisions that affect us.
- Ethics. We adhere to high standards of ethical behaviour. We do the right thing based on sound principles, attributes of good character and caring for others.
- Innovation. We value and reward innovation and creativity that furthers the goals of the organization.
- Excellence. We promote excellence through high standards and expectations.
- Positive work environment. Together, we will create a work environment that is healthy, safe and balanced.
- Professionalism. We are committed to our practice, using our knowledge and skills to produce excellent results, and reflecting on our work to constantly improve ourselves and how we do things.
- Leadership. We engage in consultative, shared and supportive leadership that inspires informed and appropriate decision-making throughout the organization.
- Diversity. We strive for diversity among student and employee populations to enrich the learning experience and the working environment.
- Partnerships. We seek well-conceived partnerships that yield mutual benefits and expedite our mission.

105-00542/

The Saskatchewan Institute of Applied Science and Technology (SIAST) is an internationally recognized provider of skills and technical training. Through partnerships with business and industry, we ensure that our curriculum matches opportunities and needs in the workplace, an approach that results in high employer satisfaction with SIAST graduates. Our consultative approach and our commitment to real-life learning contribute to a graduate employment rate consistently in excess of 90 percent. We serve more than 12,000 full-and part-time students through four urban campuses and distance learning, and we draw approximately 29,000 additional individual course registrations.

WELCOME

Board chair Christine Boyczuk ponders a software demo at SIAST Palliser Campus for its Electrical Engineering Technology program, which received a $10,000 boost from SaskPower in January 2004.

LETTER OF TRANSMITTAL

400 – 119 4th Avenue South
Saskatoon, Saskatchewan
S7K 5X2

September 24, 2004

The Honourable Andrew Thomson
Minister of Learning
Saskatchewan Learning
Province of Saskatchewan
Regina, Saskatchewan
S4S 0B3

Dear Minister:

On behalf of the board of directors of the Saskatchewan Institute of Applied Science and Technology (SIAST) and in accordance with the provisions of the *The SIAST Act*, I am pleased to submit the annual report and audited financial statements of SIAST for the fiscal year ended June 30, 2004.

Respectfully submitted,

C Boyczuk

Christine Boyczuk
Chair
SIAST Board of Directors

MESSAGE FROM THE CHAIR

My board colleagues and I are very proud of SIAST – of its students, faculty, staff and administration, of its programs and campuses. We are proud of the high quality of work that is being done at the four campuses, and of the high standards to which employees aspire and to which they inspire students.

SIAST programs demand an eager, motivated and intelligent learner – a lifelong learner. From business and technology to community services, from nursing and health services to industrial trades, SIAST programs demand our most capable and intelligent learners. They demand the best and brightest instructors. Our graduates get jobs because of the education and training they receive right here, right now. They are the lifeblood of both private and public employers.

In 2003, the board of directors commissioned a study of the socioeconomic benefits SIAST yields for the province. The results of that study, highlighted in this annual report, show that the investment students and taxpayers make in SIAST pays tremendous dividends.

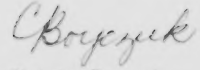
Credit is due, in part, to the diligence with which SIAST has followed up on the SIAST Committee of Review report, released in 2000. The review recommended that SIAST emphasize:

- Increased accessibility
- Learner centered orientation
- Use of technology
- Representation and outcome equity for Aboriginal learners
- Increased linkages with industry
- Inclusion of employees and students in the planning process
- Development of a new vision

We have made tremendous strides on all fronts. The launch of a new vision this year, for example, engaged employees across the organization, as did its development. It says: SIAST is a leader in superior education, focused on students and lifelong learning – a catalyst for advancing the social and economic prosperity of Saskatchewan.

Guided by this vision, my board colleagues and I will support SIAST as it strives to become even more proactive in building the economy. We will seek to become even more inclusive, helping Saskatchewan tap the potential of **all** demographic groups. We will act as partners in or agents for local community development, spurring innovation and economic revitalization, providing targeted applied research – and rapid technology transfer support – to provincial business and industry.

SIAST provides more than technical education. We provide an environment of learning and growth that offers unsurpassed opportunities to learn self worth, the value of lifelong learning, the power of action and the great excitement of contributing to economic development right here in Saskatchewan.



Christine Boyczuk
Chair
SIAST Board of Directors

Chantelle Lapierre, who graduated from a Regina high school in 2004, will begin the Architectural and Interior Technologies program at SIAST's Moose Jaw campus in fall 2004.

Taxpayers earn 12.8% on their investment in SIAST.

12.8% TAXPAYER RATE OF RETURN

Anglin Lake was the site for the launch of the Resource and Environmental Law joint degree program, offered in partnership with First Nations University of Canada and the U of R.

SIAST BOARD OF DIRECTORS

Christine Boyczuk, Chair

Owen Sebastian, Vice-Chair

Robert G. McCulloch

Dennis Anderson

Louis Gardiner

Mike Hintze

Cheryl Bauer Hyde

Trevor Klassen

Keith Martell

Paul McLellan

*Tina Meraiti

Jean Morrison

Kent Mortenson

Morris Onyskevitch

Garry Ramage

Violet Stanger

SIAST president and CEO Bob McCulloch gets out from behind his desk for a visit to a Heavy Equipment program work site.

MESSAGE FROM THE PRESIDENT

At SIAST, our proactive approach to meeting student and employer needs makes us a key player in Saskatchewan's development. The socioeconomic study highlighted in this report quantifies the tremendous contributions that we make in such areas as higher earnings and sales. It reports as well, for example, that taxpayers can expect to recoup their investment in SIAST in about 10 years and that they earn an estimated 12.8 % annual rate of return.

To help put these results into perspective, it helps to consider the scope of our efforts within the post-secondary sector: We graduate almost 4,000 students per year; that's about 30% higher than the University of Saskatchewan undergrad rate and almost double the University of Regina.

Our solid performance is due both to the hard work and dedication of our employees, and to the transformation, over several years, of SIAST into a strong, united provincial organization. To continue contributing at the highest level, however, we need access to consistent and relatively predictable funding for operational needs. As well, one area that's becoming especially important is capital support. We are facing significant space constraints and facility issues at our campuses.

At SIAST, we are nimble in our response to changing training needs. We are untiring in our drive to enhance support for students. We have responded aggressively and effectively to demographic opportunities. We are innovative and flexible in expanding access to training.

Our mandate is to serve as Saskatchewan's primary provider of skills and technical training, and our vision is to serve as a catalyst for social and economic prosperity. We will continue to fulfill our mandate and pursue our vision with enthusiasm and professionalism.

And we will continue lobbying for the support we need to overcome our challenges and reach our full potential.

R. G. McCulloch

Robert G. McCulloch
President & CEO

Starting her SIAST career in 1982 as an instructor in Prince Albert, Barb Bremner served as director of the Virtual Campus before becoming dean of community services in 2002.

Taxpayers recoup their investment in SIAST in 10 years.

10-YEAR TAXPAYER PAYBACK

The first class of Recreation and Leisure students at Buffalo Narrows received their diplomas on-site. The program was offered through a partnership with Northlands Regional College.

RETROSPECTIVE

At SIAST, surveys have consistently confirmed that our training meets the needs of our students and their eventual employers. Now, thanks to a study commissioned in the 2003-04 fiscal year, we're better able to quantify our broader contributions to social and economic development. In so doing, we have demonstrated that students, taxpayers and the province receive a solid return on their investment in SIAST.

The socioeconomic study, by CCbenefits Inc., found that past and present SIAST instruction adds $393 million per year in earnings across Saskatchewan, representing almost 2.3% of earnings generated from all sources in the province. More than $900 million in gross sales – 2.0% of the provincial total – are directly and indirectly attributable to SIAST training and activities.

The study found that students can expect a 12.9% rate of return for their investment in SIAST, recovering that investment in 11 years. Taxpayers are equally well compensated, with a 12.8% rate of return and a 10-year payback. In addition, the provincial government saves an estimated $12 million in health and other costs due to the higher education levels of SIAST students, and it generates higher tax revenue due to higher earnings. Sick leave is reduced by almost 27,000 days per year.

While we have much to be proud of at SIAST, the most recently concluded year was not without challenges. Our employees were among the first SGEU (Saskatchewan Government and General Employees Union) members to negotiate contracts after the government set a three-year, zero-one-one limit on increases for government workers.

When contract talks with our academic employees broke down, we were forced to cancel classes. In all, academic rotating job action and then a full-scale walkout spanned almost four weeks. When it concluded, instructors and programs heads collaborated with management on plans that enabled students to meet their program requirements. A few weeks later, classes continued, but some services were reduced when administrative support staff took to the picket line. They also put forth exceptional effort to catch up on lost time when they returned to work after two weeks.

KUDOS

Our new annual employee awards program recognized innovation, service and excellence. Hamilton Greenwood, program head of Natural Resources programs, received the President's Award of Excellence. Mary Delanghe and Yvonne Warnes, Home Care/Special Care Aide instructor and Continuing Nursing Education program head respectively, received SIAST Innovation Awards. Jean Dudley, Basic Education instructor; Christine Nemish, prior learning administrative assistant; and Joan Patterson, extension education consultant, received Outstanding Service awards.

Kelly Abrams, program head of Health Information Services, was appointed vice-chair of the Canadian Health Information Management Association.

Next to pizza, electronics and concrete projects, a GPS scavenger hunt and dartboard design rated tops at SIAST's inaugural technology camp, aimed at kids aged 11 to 14.

Our eventual collective agreement with academic employees included a pay equity plan, and our agreement with both groups included benefit improvements. In both cases and including benefit improvements, collective agreements fell within the mandated range.

Notwithstanding labour relations diversions, SIAST employees continued to contribute to the social and economic development of Saskatchewan by maintaining a sharp focus on priorities and initiatives set out in our business plan; highlights include:

Aboriginal student recruitment and retention
Last fall, we launched an extensive program of consultation with students and employees regarding Aboriginal student and employee recruitment and retention. An external consultant conducted a survey and met with focus groups across SIAST. One of the first initiatives to result from the project has been the establishment of an Aboriginal advisory council reporting to the president and CEO.

We are leading an initiative to present a Western Canada symposium that will develop strategies for increasing participation of Aboriginal people in trades training. The symposium will be delivered in October 2004 in collaboration with the Saskatchewan Apprenticeship and Trade Certification Commission, Saskatchewan Indian Institute of Technologies, Aboriginal Human Resources Development Council of Canada and Western Economic Diversification.

In partnership with Saskatchewan's regional colleges, Dumont Technical Institute, the Saskatchewan Apprenticeship and Trade Certification Commission, the Saskatchewan Indian Institute of Technologies and other organizations dedicated to workforce development, we have developed a proposal for the Crown Investments Corporation of Saskatchewan to increase participation by youth, especially Aboriginal youth, in trades and technology training programs.

Our Science and Health Division undertook a pilot project to recruit Aboriginal students for programs in which they are under-represented. Working with such partners as Regina Qu'Appelle and Saskatoon health regions, Dumont Technical Institute and the Canadian Union of Public Employees, the division will implement the program in the fall of 2004.

Katherina Aguilera, a SIAST Kelsey Campus Basic Education student, received the Saskatchewan Literacy Network Learner Award.

Six SIAST Applied Photography students won 11 awards in the SaskPhoto competition held in conjunction with the Regina Exhibition. Winners included Barb Parchman (Best of Show), Marla Anderson, Jill Lanigan, Erica Tagert, Stacy Shaw and Stephanie Hahn. Students also won recognition at the Saskatoon Exhibition. One student won the Fuji Student Print Award at the Professional Photographer's Association Convention in Quebec City.

Jennifer Williams, a recent Advanced Care Paramedic grad, was awarded a $5,000 scholarship for her research paper on stress in emergency medical services.

Past and present SIAST instruction adds $393 million per year in earnings across Saskatchewan.

$393 MILLION IN EARNINGS

Unseasonably fierce weather in March did not halt construction for students in a log building program at Woodland. They erected a 1,700-square-foot structure at a temporary site near the campus.

Aboriginal student recruitment and retention is a high profile priority across SIAST, and employees respond in myriad ways. Two examples in particular demonstrate the innovation and flexibility brought to the effort:

- Nine students graduated on-site in Buffalo Narrows from the Recreation and Leisure Management diploma program. The program was offered in partnership with Northlands College through a flexible delivery system that enabled students to combine classroom and home study.

- Our extension folks at SIAST Wascana Campus provided training for 30 Aboriginal youth working on the Moccasin Flats television series. Eleven of the students received the Film, Video and New Media applied certificate.

Our human resources group launched a three-year program to offer awareness training to all employees on Aboriginal issues. Approximately 250 people, including board members, have thus far attended the sessions.

Accessibility

Our Virtual Campus and program area employees collaborated on development of 23 online courses, bringing to 83 the number of courses available for online delivery in the next academic year. In addition, five courses were revised, and online lab components were developed for use in Primary Care Paramedic courses. As well, the entire Web Site Design and Development applied certificate program is now available online.

In total, 59 courses were available online and delivered through 120 offerings to both on-and off-campus students. Online courses drew approximately 1,700 registrations. Specific initiatives include the development for online delivery, in partnership with Saskatchewan Agriculture, of FoodSteps, a sanitation course. A pilot delivery project took place with Harvest Meats in Yorkton.

Our four campus extension calendars were reformatted to accommodate the integration of full course descriptions for all 300-plus courses available via distance education from SIAST. Calendar availability and distance education were promoted extensively through advertising and public relations activities.

Nancy Bateson, program head of Dental Hygiene and Dental Assisting, was appointed to the Commission on Dental Accreditation and chairs its Dental Hygiene Committee.

Don Brickner, emergency health care instructor, received the Governor General's Emergency Medical Services Exemplary Service Medal in recognition of more than 20 years of service in the emergency medical services field.

The Carpentry program at SIAST Palliser Campus continues to turn out winners in Skills Canada competitions. Student Mark Bonneville won the national gold medal.

SIAST cooking instructor Joe Kreig impressed teens visiting the P.A. campus for Spend-a-Day at Woodland, which attracted almost 100 high school students from across Saskatchewan.

Registration services introduced online access to a number of services in 2003-04, including tax forms, grades and unofficial transcripts for students, and online grade entry for instructors. Applications for admission can now also be submitted online.

New electronic services have been added to the SIAST libraries collection to enhance learning for on- and off-campus students as the development of a "virtual" library continues.

Employee renewal and retention

We introduced a three-day, new instructor orientation that helps new faculty members make the transition to the adult education environment. We also engaged the University of Regina to help develop a faculty certification program. The three-year program, scheduled for launch in August 2004, will become a condition of employment for new instructors as of September 1. Graduates will receive SIAST certification and university credit for a number of courses.

Our human resources group developed a five-year strategic plan and restructured in 2003-04 in order to respond more effectively to such priorities as recruitment and retention, and employment equity. In addition, the annual performance planning process was further extended to include all out-of-scope staff.

More than 30 workshops and training sessions on education technology were offered to employees across SIAST, drawing 635 registrations. Additionally, best practices workshops and information sessions brought together program heads and extension education consultants from across the organization.

We introduced a new employee awards program that rewards people who advance our vision and serve as models of excellence, innovation and service across the organization. Our first six winners were recognized at internal functions and in external publications.

Funding

Our board of directors has engaged provincial cabinet ministers in discussions about SIAST's contributions to the province as part of the board's effort to secure consistent and predictable funding for the organization. In addition, the board hosted the first in a series of breakfasts for key business leaders.

The Saskatchewan Literacy Network recognized Larry Crook, a SIAST Kelsey Campus Basic Education instructor, for his work with literacy learners.

Diana Davidson Dick, dean of nursing, received the Saskatchewan Registered Nurses' Association Millennium Award, Leader in Nursing Education. Sarah Gill, a Year 2 NEPS student, received the millennium student leader award.

Judy Boychuk Duchscher, NEPS faculty member, was awarded the prestigious $105,000 Canada Graduate Scholarship. The three-year award, from the Social Sciences and Humanities Research Council of Canada, recognizes high potential doctoral students. Judy had earlier been named a winner of a $50,000 University of Alberta award, which then became honorary.

NEPS faculty member Judy Boychuk Duchscher received a $105,000 Canada Graduate Scholarship, awarded to high potential doctoral candidates.

On average, students can expect a 12.9% rate of return on their investment in SIAST.

12.9% STUDENT RATE OF RETURN

SIAST Basic Education instructor Larry Crook received an award for his work with literacy learners, presented by Lieutenant Governor Linda Haverstock on behalf of the Saskatchewan Literacy Network.

We conducted a capital needs assessment and have identified facilities requirements that are critical to fulfilling our mandate. These include campus renovations across SIAST and an expansion of SIAST Kelsey Campus. In addition, we undertook a feasibility study on the construction of student residences at SIAST Woodland Campus and SIAST Kelsey Campus. In the short term, we are further investigating options for establishing a family-focused student residence at Woodland to serve Aboriginal students.

We are currently engaged in a review of tuition and student ancillary fees to ensure that these are affordable, fair, and easy to understand and administer.

International

Our international services group continues to position SIAST as an international leader in developing and delivering skills and technical training relevant to local needs, especially for rural areas and for areas with high minority populations. International activities provide our employees, students and Saskatchewan graduates with development opportunities.

Major activities in 2003-04 were concentrated in Vietnam, the Slovak Republic, Malawi, India, Panama and Jordan. Projects range from leadership of a four-college Canadian consortium that is helping develop a new college in the Mekong Delta to conducting training sessions, presenting at conferences and hosting study tours. We also reached an agreement to broker SIAST's Business certificate program to a college in Ho Chi Minh City. Decisions are pending from sponsors of a number of potential projects.

Organizational and board effectiveness

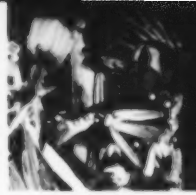
In 2003-04, we initiated a SIAST information resources planning and prioritization committee (SIRPAP) as a cross-functional planning approach that strategically prioritizes new IR projects. We also commissioned an extensive information resources review by external consultants to ensure that our structure, staffing and security practices are appropriately aligned with our increasing reliance on technology. A strategy for responding to the review's findings will be drafted in 2004-05.

We implemented a 200-day electronic profiling pilot with academic employees in two divisions.

Charlene Hamill, Dental Hygiene instructor, was awarded a lifetime membership in the Saskatchewan Dental Hygiene Association.

Barb Heise, academic director of skills initiatives, represented the Manitoba, Saskatchewan and Nunavut region on an Association of Canadian Community Colleges' project on essential employability skills. She was also a co-presenter on a SIAST case study on employability skills development for Aboriginal students at a national symposium.

Larry Fladager, campus director at SIAST Woodland Campus, was president of the Prince Albert Chamber of Commerce.



The general public was invited to join in the festivities at Wascana's 14th annual Aboriginal Cultural Awareness event in May, which included first-rate First Nations and Metis entertainment.

The project, which will be rolled-out across SIAST, facilitates full-year electronic scheduling for faculty members, significantly streamlining planning and reporting processes.

Our board sponsored the SIAST Vision 2020 Contest for employees, which drew attention to our new vision statement and offered prizes to employees who could recite the vision. Activity on our intranet spiked following announcements of key developments in the contest and the posting of video clips of contestants.

In 2003-04, we launched *Partners*, an annual newsletter distributed across the province through 240,000 newspapers. The tabloid raises awareness about the breadth of SIAST's contributions and about opportunities with our organization. *Partners: 2*, a six-times-per-year supplement to the annual newsletter, provides a news digest to key stakeholders.

Our four campus libraries migrated to a new integrated library system at the start of the year. Cross-campus teams developed common standards and procedures, which assisted in the conversion. All librarians have been assigned specific province-wide responsibilities, facilitating the development of equitable SIAST-wide services.

Core introductory computer application courses were introduced in 2003-04. The seven new courses, available via classroom, traditional distance and online instruction, were used in more than 40 programs.

Partnerships

With the Saskatchewan Indian Institute of Technologies, we hosted the annual conference of the Association of Canadian Community Colleges, attended by 700 delegates from across the country. Preparations for the conference enabled our two organizations to forge strong ties and relationships from which to build future partnerships.

In partnership with Healthserv Saskatchewan, our Science and Health Division held a one-day conference, Lifelong Learning: A Catalyst for Care, for 165 home care and special care aides.

Wolfgang Langenbacher, dean of business and agriculture, presented at the Institute Industry Showcase in Gujarat State, India.

Yurij Lazurdo, chemistry and physics instructor, won an Excellence in Teaching award at the SIAST Palliser Campus awards ceremony.

Sherry MacDonald, a Human Services instructor, received an instructors award from the Kelsey Students' Association.

Fresh recruit Ryan Greyeyes joined the SIAST information resources team in April 2004 as a service desk analyst.

Students recover their investment in a SIAST education in an average of 11 years.

11-YEAR STUDENT PAYBACK

International service's Elaine McNeil, a longtime advocate for international development, was named a Global Citizen by the Saskatchewan Council for International Cooperation.

The Prince Albert Employment Networking Initiative and Self Help and Recreation Education partnered with Basic Education at SIAST Woodland Campus on a program for students facing significant barriers to employment. Supported by 15 community agencies, the project enabled eight students to secure jobs; another four were referred to future programs.

Through a partnership with Human Resources Skills Development Canada, the Regina Food Bank and others, and with funding through the provincial government's QuickSkills program, we are providing Short Order Cook training to youth at risk, including people of Aboriginal descent, people on social assistance and people with disabilities.

We became the official host of Campus Saskatchewan, welcoming three of its employees to our SIAST Wascana Campus. Campus Saskatchewan facilitates collaboration and partnerships in technology-enhanced learning for post-secondary institutions across the province.

We negotiated a joint degree arrangement with the University of Regina that enables our Computer Information Systems graduates to apply for entry into Year 3 of the university's Computer Science degree program. A similar option for our Resource and Environmental Law grads who want to pursue a degree in environmental studies was launched in partnership with First Nations University of Canada and the University of Regina.

Quality programming

In 2003-04, we invested $960,000 – up 28.0% – in 39 program development projects, which ranged in scope from developing curriculum for individual courses to renewing complete programs.

Our new Primary Care Nurse Practitioner program was awarded the highest rating accreditation possible – three years – from the Saskatchewan Registered Nurses' Association. The program sets the stage for the province's nursing profession to offer a broader range of health-care services.

The Nursing Education Program of Saskatchewan (NEPS), which we operate in partnership with the University of Saskatchewan and First Nations University of Canada, received five-year accreditation from the Canadian

Our marketing and communications staff won two awards for the SIAST Vision 2020 Contest: an award of excellence through the "ACE" program operated by Saskatchewan chapters of the International Association of Business Communicators and the Canadian Public Relations Society, and a silver award from the Canadian Council for the Advancement of Education.

SIAST president and CEO Dr. Bob McCulloch presented at a conference for female college and university administrators in Amman, Jordan.

Susanne McElhinney, Early Childhood Education program head at SIAST Wascana Campus, contributed an entry on Training for Teachers in ECE to the Saskatchewan Encyclopedia project.

In March, Dental Hygiene students helped 1,100 local high schoolers set a Guinness record for simultaneous flossing – with a mile-long length of floss.

Association of Schools of Nursing. Dental Assisting and Dental Hygiene programs each received full seven-year accreditation.

For the fourth consecutive year, all graduates from Medical Radiologic Technology, Medical Laboratory Technology, Combined Laboratory and X-Ray Technician, Health Information Services and Dental Assisting programs successfully passed certification exams. Health Information Services grads achieved the highest average in Canada.

Six of our engineering technology programs successfully underwent reviews with the Canadian Technology Accreditation Board. Architectural technologies underwent a first-time accreditation application and site visit by the American Council of Construction Education.

Responsiveness

As part of a multi-year plan to increase by 100 the number of seats in the Nursing Education Program of Saskatchewan (NEPS), an additional 32 students were accepted into the program at SIAST Wascana Campus.

Automotive Service Technician and Auto Body Technician programs at our two southern campuses were consolidated in response to diminished demand for programming in that part of the province. The consolidation provided equipment efficiencies, and pooling of faculty expertise strengthened the programs.

New programs were developed and/or implemented in response to specialized training needs, including:

- Advanced Addictions Counselling advanced certificate
- Computer Networking Technician certificate
- Dynamic Web Development advanced certificate
- Occupational Health and Safety Practitioner applied certificate
- Pre-trades Carpentry applied certificate
- Pre-trades Industrial Mechanics applied certificate
- Pre-trades Plumber-Pipefitter applied certificate
- Tri-trades applied certificate (agricultural machinery, heavy equipment, and truck and transport mechanics)
- Vocational Forestry – Conventional Harvesting applied certificate
- Vocational Forestry – Mechanical Harvesting applied certificate

Elaine McNeil, a project coordinator with international services, received the Saskatchewan Council for International Cooperation's Global Citizen Award and a YWCA Women of Distinction award.

Kay Molnar, an Early Childhood Education instructor at SIAST Wascana Campus, is serving on the Child Education and Care Advisory Committee to the Ministers of Learning and Community Relations and Employment.

Gord Mueller, a SIAST Palliser Campus Basic Education instructor, received the Excellence in Teaching award at the campus awards ceremony.

A SIAST team, including representatives from the Nursing Division and the Virtual Campus, won the Award for Excellence and Innovation in Instructional Design from the Canadian Association for Distance Education.

Tyler Donaldson, who completed the first year of his Recreation and Leisure Management diploma in 2004, landed a summer job as volunteer coordinator for a Saskatoon Habitat for Humanity build.

The provincial government saves an estimated $12 million in health and other costs due to the higher education levels of SIAST students.

$12 MILLION IN SOCIAL SAVINGS

Office Automation/Administration student Kimberly Erickson received her parchment at SIAST Palliser Campus's spring 2004 graduation ceremony.

In addition, more than a dozen programs undertook major revisions in response to industry requirements and to align them with our curriculum model and our provincial education and training framework. For example, our Technology Division began implementing recommendations from a major review of electronics-related programming at SIAST. As a result, a standardized Electronics Technician certificate program will be offered in 2004-05 at all four SIAST campuses. In addition, to address new provincial regulations and operator certification requirements, our Water and Wastewater Technician program underwent major revisions based on recommendations from its industry program advisory committee.

With the introduction of an applied research and framework, we allocated funds to administer applied research projects and to encourage faculty to pursue partnerships with universities and other external agencies.

Our Skills Initiatives team has contracted for SIAST to become the exclusive distributor in Saskatchewan of TOWES tests, which enable employers to measure workplace reading and comprehension, and numeracy against national occupational standards.

Our Corrections Worker program employees completed a prior learning assessment and recognition program that enables people employed in the field to seek diploma certification based on their experience.

Our Business and Agriculture Division led a cross-Canada consortium to deliver software training nationally for Farm Credit Canada.

Student support

Following an education equity review, the terms of reference have been developed for an advisory committee on education equity. The new committee will differ from an earlier education equity committee in that it will have broader representation and its mandate will include advising deans' council on matters of education equity policy, goals and overall direction.

Our Associated Studies Division implemented a four-course Post-Secondary Success Program that helps students who have been out of school hone skills they'll need during their studies with

Barb Robinson, Chemical Dependency Worker program head, was elected as the Saskatchewan/Manitoba representative on the Canadian Addiction Counsellors Certification Federation. Barb was also chosen to facilitate at the Prairie Region Great Teachers Seminar.

Noel Selinger, campus director at SIAST Wascana Campus, will be the first person to represent SIAST in a newly designated spot on the Regina Chamber of Commerce. Noel continues to serve on the Regina Regional Economic Development Authority and the University of Saskatchewan senate regional advisory committee. She has also been appointed to the Mayor's Task Force on Regina's Future.

Don Shanner, campus director of SIAST Palliser Campus, was vice president of the Moose Jaw and District Chamber of Commerce.

Kelsey students in a six-week construction program offered in partnership with the Saskatchewan Indian Institute of Technologies handled more than 900 feet of material while framing a Habitat for Humanity house.

us. Topics include math, writing and basic computer operation.

The learning assistance centre at SIAST Woodland Campus has begun exporting, via email, individual diagnostic tests of basic math skills to SIAST extension students across the province. The centre also developed and distributes remedial math mini-lessons.

Our downtown Prince Albert learning centre relocated to SIAST Woodland Campus, providing on-campus Basic Education students with enhanced services, while maintaining service to off-campus clientele.

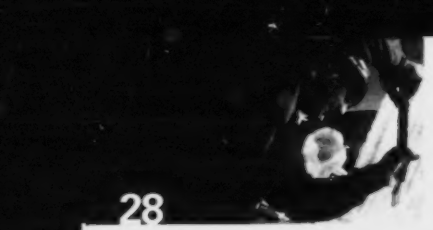
Our development office raised $125,000 in support of Centennial Merit Scholarships, which, with matching funds from Saskatchewan Learning, enabled us to provide 57 first-year tuition scholarships to academic high-achievers.

With a sell-out crowd, SIAST Palliser Campus's 24th annual Business and Industry Banquet broke all previous attendance and fundraising records. More than 400 people bought tickets to the banquet, generating almost $20,000.

Candace Smalldon, a first-year student in the Nursing Education Program of Saskatchewan (NEPS), was invited to present a paper at the Aboriginal Nurses Association of Canada conference in St. John's, Newfoundland.

Jennifer Williams, an Advanced Care Paramedic student, received a $5,000 national Tema Conter Memorial Trust Scholarship.

Virtual Campus employees presented at a number of conferences, including the Canadian Association for Distance Education, the Association of Canadian Community Colleges, the Canadian Association for Prior Learning Assessment and a Campus Saskatchewan-sponsored conference.



Giant teddy bears and pineapples were among the frosted creations carved out by third-year apprentice cooks during an ice sculpture class held on Kelsey's front lawn

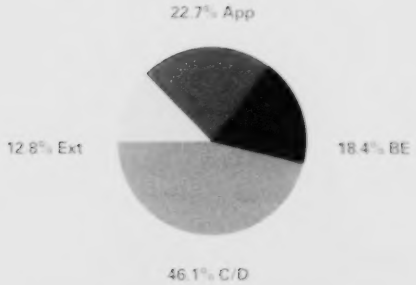
SIAST STUDENT STATISTICS

Enrolment Figures

FLE Enrolment	2002/03	2001/02
Program Enrolment		
Basic Education	1,721	1,741
Apprenticeship	2,530	2,560
Certificate/Diploma	4,708	4,849
Extention Credit Programs	1,248	1,246
Total Program Enrolment (FLE)	10,207	10,396
Course Registration Enrolment		
Credit	1,735	1,582
Non-Credit	885	813
Total Course Registration Enrolment	2,620	2,395
Future Skills	865	839
Total FLE Enrolment	13,692	13,630
University Courses	1,558	1,456

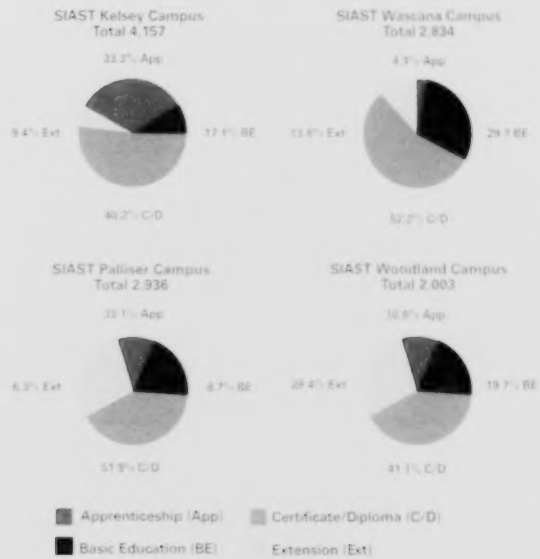
Student data for 2003-04 will be posted at www.goSIAST.com November 15, 2004

Program Enrolment by Headcount 2002-2003



Program Enrolment (Headcount)* 11,930

Program Enrolment by Headcount Campus and Catagory



Wascana Home Care/Special Care Aide instructor Mary Delanghe was one of six employees recognized in our new employee awards program.

Number of Graduates

	2002/03	2001/02	2000/01	1999/00	1998/99
Diploma	750	850	844	868	762
Certificate	3,126	3,040	2,882	2,607	2,781
Total	3,876	3,890	3,726	3,475	3,543

Education Equity Participation (%)

Designated Groups of Students	2002/2003 SIAST Participation Rates
Persons of Aboriginal ancestry	18.4%
Persons with disabilities	4.7%
Persons of visible minorities	2.5%
Female students	42.9%

Includes enrolment in certificate, diploma, apprenticeship and Basic Education programs.

SIAST PROGRAMS

Number of Programs

	2002/03	2001/02	2000/01	1999/00	1998/99
Diploma	52	51	50	54	55
Certificate	112	123	136	129	126
Apprenticeship	27	27	27	27	27
Total	191	201	213	210	208

SIAST WORKFORCE – FULL-TIME EQUIVALENT (FTE) TOTALS

July 1, 2003 to June 30, 2004, and July 1, 2002 to June 30, 2003

	Academic		Admin Support		Out-of-Scope		Total	
	2003/04	2002/02	2003/04	2002/03	2003/04	2002/03	2003/04	2002/03
SIAST Kelsey	369.97	340.35	123.88	123.18	15.84	15.25	509.69	478.78
SIAST Palliser	213.31	206.25	86.55	81.38	10.18	10.1	310.04	297.73
SIAST Wascana	242.22	224.28	119.58	118.44	13.59	12.85	375.39	355.57
SIAST Woodland	156.19	145.17	79.86	80.6	7.8	8.25	243.85	234.02
Administrative Offices	3.42	3.15	46.09	39.09	28.84	29.18	78.35	71.42
TOTALS	985.11	919.2	455.96	442.69	76.25	75.63	1,517.32	1,437.52

Kelsey student counsellor Myrna Yuzicapi is playing a key role in the start-up of SIAST's Aboriginal advisory council.

THE YEARS AHEAD

SIAST STRATEGIC OBJECTIVES

Student Success
Fostering a learning culture that nurtures the successful preparation of students for employment and lifelong learning is key. To this end, our strategies will focus on assisting students in their academic preparation, career orientation and personal preparedness and wellness. SIAST will continue the implementation of a single education and training framework in which learning outcomes play a central role in program design, development, delivery and evaluation.

Recruitment, Retention and Successful Participation of Aboriginal Students
Enhancing linkages with Aboriginal training institutions and communities is critical to providing a comprehensive, integrated system of instructional and support services for Aboriginal students at SIAST. We will endeavour to improve our supportive learning environment so that Aboriginal students feel comfortable and attain their educational goals.

Employee Renewal, Preparation and Retention
The recruitment and retention of a well-trained, motivated and representative workforce is critical if SIAST is to maintain its position as Saskatchewan's primary public post-secondary technical institution. Our ongoing commitment to becoming a quality learning organization and implementing a faculty certificate program and new instructor orientation will ensure a supportive and productive workplace environment.

Facility Development
The expansion and redevelopment of teaching and laboratory spaces is necessary if SIAST is to meet the training needs of industry and the student demands in our province. Planning activities for these facility changes and the exploration of new opportunities for necessary capital development will be undertaken.

Partnerships
SIAST will continue to broaden and extend partnerships and alliances with business and industry, universities, regional colleges, the kindergarten to Grade 12 school system, Aboriginal institutions, and the Saskatchewan Apprenticeship and Trade Certification Commission.

IN NC AL

New registrar Alison Pickrell's department introduced online access to tax forms, grades and unofficial transcripts for students, and online grade entry for instructors.

Management Discussion and Analysis

Financial Highlights
June 30, 2004, compared with June 30, 2003 ($000s)

Revenue

Grants increased by $3,001 (3.3%) as a result of provincial government increases to the operating and facilities grants.

Contractual services decreased by $1,495 (7.5%) resulting mainly from reduced training for regional colleges ($700) and a reduction in contractual training funded by the provincial government ($556).

Tuition and fees increased by $1,275 (7.3%) because of an increase in tuition rates, enrolment and registrations.

Expenses

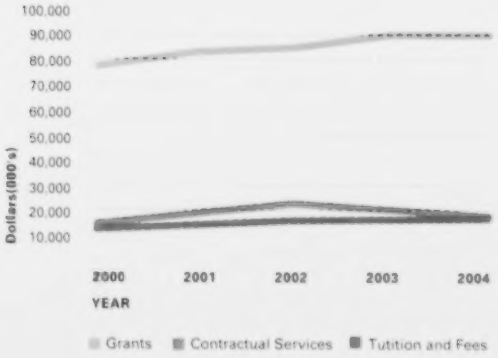
Salaries and benefits increased by $368 (0.4%) because of increased costs resulting from the settlement of collective bargaining agreements, offset by reduced expenses that occurred because of the academic and administrative support job actions.

Facilities rental costs increased by $760 (4.5%) as a result of increased charges by the Saskatchewan Property Management Corporation.

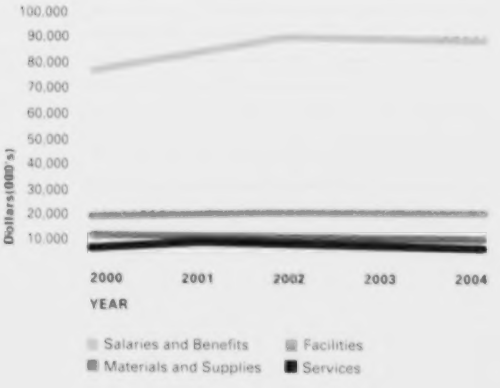
Cost of materials and supplies declined by $301 (3.3%) due to reduced purchasing activity.

Cost of services increased by $861 (9.7%) mainly because of a reassessment ($677) for goods and services tax refunds claimed for the 2001 through 2004 fiscal years.

Revenue



Expenses



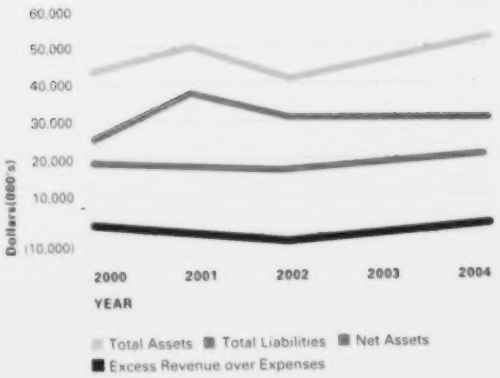
Financial position

Total assets increased by $5,432 (11.8%) primarily as a result of increases in cash and marketable securities ($4,785).

Total liabilities increased by $1,359 (4.7%) because of the increase in deferred contributions for capital asset purchases ($856).

Net assets increased by $4,073 (24.2%) mainly as a result of the positive operating results for 2004 ($3,846). SIAST revenues have exceeded expenses in three of the last five years with only 2002 having a significant negative result.

Financial Position



Capital spending summary

In 2004, we made expenditures on capital of $5.8 million, which was funded by net amortization of capital assets and provincial capital funding. A majority of the expenditure was to replace equipment used in the training of students. Major upgrades were made to the cafeteria at SIAST Woodland Campus and to the student lounge and the nurse's clinic at SIAST Kelsey Campus. At SIAST Palliser Campus, renovations enabled us to establish a technology learner support centre, learning assistance centre and test centre. We also added classrooms and renovated the print shop.

Plan 2004 ($000s)

Actual 2004 results show a surplus of revenue over expenses of $3,846 compared to a breakeven plan. The main areas of variation from plan are as follows:

- Tuition and fees exceed plan by $1,034 as a result of increased enrolments in core programs and extension courses.
- Salaries and benefits were less than budget by $1,353 because the collective bargaining agreement costs were less than plan and because of reductions due to job action by academic and administrative support staff.
- Travel expenses were less than plan by $593 partially due to reduced travel during the academic and administrative support job actions.

Students practised the fine art of networking in a record-breaking crowd at SIAST Palliser Campus's 24th annual Business and Industry Banquet, which benefits scholarships.

Plan 2005 ($000s)

The plan projects expenses to exceed revenues by $1,222 for the 2005 year, (versus an actual surplus of $3,846 for 2004). The main areas of anticipated change are:

- Provincial grants are projected to increase by $1,269 as a result of increases in the 2004-05 provincial budget.
- Contractual revenues are expected to increase by $908 as a result of increased training for regional colleges and private organizations.
- Tuition fees will increase by an estimated $1,118 due to an increase in the tuition rate.
- Salaries and benefits are expected to increase by $7,160 mainly because of the increased collective bargaining agreement costs, including pay equity adjustments for academic employees.
- Materials and supplies are projected to increase by $635 to reflect a normal year of operations in 2005.
- Travel expenses are expected to increase by $752 to reflect a full year of normal operations.

We are using our positive results from past years to fund the 2005 shortfall until additional funding is received from the province to cover the increased cost of the collective bargaining agreement. This increased funding is anticipated in the 2005-06 provincial budget.

Performance to Plan

Key financial results and data

($000s)	2003 Actual	2004 Plan	2004 Actual	2005 Plan
Operations				
Excess (deficiency) of revenue over expenses	$2,142	$0	$3,846	$(1,222)
Grants	89,619	92,299	92,620	93,889
Contractual revenues	20,008	18,457	18,513	19,421
Tuition and fees	17,583	17,824	18,858	19,976
Salaries and benefits	87,541	89,262	87,909	95,069
Facilities rental	17,065	17,719	17,825	18,061
Material and supplies	9,037	9,122	8,736	9,371
Services	8,847	9,357	9,708	9,569
Travel	2,997	3,718	3,125	3,917
Balance Sheet				
Operating net assets	5,015	3,271	9,434	5,018
Total assets	45,940	44,318	51,372	45,614
Total liabilities	29,112	30,050	30,471	29,359
Net assets	16,828	14,268	20,901	16,255

Risk management

In 2003, we adopted an enterprise risk management (ERM) approach to identify and prioritize risks and opportunities. In 2004, we updated the corporate risk profile, identifying and ranking the risks based upon impact and likelihood of exposure. Highlights of the prioritized risk profile and the processes and controls in place to manage those risks follow:

Competitive advantage
As the demand for post-secondary education and skills training continues to grow, the effort required in attracting applicants and ensuring successful completion of training will be more important than ever before. Employers are expecting ever-higher levels of education, and at the same time, demand is increasing for more specialized training – essentially, more programs for smaller groups of people. In response to the changing needs of business and industry, our program portfolio is continually under review. As well, business and industry experts are consulted on curriculum development. Surveys of both graduates and employers indicate this approach works. SIAST's reputation for providing high-quality, relevant skills training, our responsiveness to labour market training needs, the success of our graduates and competitive tuition fees are key factors in strengthening our market position.

Staff replacement
Faced with an aging faculty, increasing retirement and a growing demand for initial employee development and training, the implementation of an effective succession plan is critical. Work is underway to gather information on the recruitment challenges as the organization faces increased retirements in the next five to 10 years. A leadership succession planning framework has been developed to focus on creating an inventory of SIAST's current senior management workforce in order to plan for leadership needs.

Facility development
Funding is required to expand and update SIAST Kelsey Campus to meet the training needs in Saskatoon. Additional funding will be required in the near future for renovating our other three campuses. We are preparing a document that describes the need for capital investment and that will be presented to the provincial government in the fall of 2004.

Funding
Our success in achieving our goals and objectives is predicated upon consistent and predictable operating funding for the planning period. With the majority of revenue derived from public funding, SIAST operations must satisfy the requirements of the provincial government, business and industry, taxpayers and clients. By developing and delivering relevant skills and technical training programs that respond in a timely manner to the needs of business, industry and the labour force, SIAST is a major contributor to economic growth and prosperity in Saskatchewan. Communications initiatives ensure government officials understand the positive impact our organization has on the province's social and economic development.

Reliance on technology
Our program curriculum and equipment require regular updates in order to ensure our training meets the requirements of Saskatchewan employers. We allocate funding for program development each year and spend in excess of $5 million annually on equipment replacement and upgrades.

Grey Cup fever gripping Wascana campus in November peaked on "Green Day" with a visit from Roughrider mascot Gainer the Gopher.

Management Report

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise because they include certain amounts based on estimates and judgments. Management has ensured that the financial statements are presented fairly in all material respects. The financial information presented elsewhere in the annual report is consistent with that in the financial statements.

Management has ensured that the organization is in compliance with the provisions of legislation and related authorities.

Management maintains a system of internal accounting and administrative controls to provide reasonable assurance that the financial information is relevant, reliable and accurate and that assets are appropriately accounted for and adequately safeguarded.

The board of directors of SIAST is responsible for reviewing and approving the financial statements and, primarily through its audit committee, ensures management fulfills its responsibilities for financial reporting.

The audit committee is appointed by the board and is composed of directors who are not employees of SIAST. The audit committee meets periodically with management and with external auditors to discuss internal controls, auditing matters and financial and reporting issues to satisfy itself that each party is properly discharging its responsibilities. The audit committee reviews the financial statements and the external auditors' report and also considers, for approval by the board, the engagement or reappointment of the external auditors. The audit committee reports its findings to the board for its consideration when approving the financial statements for issuance.

The financial statements have been audited by Deloitte & Touche LLP and the Provincial Auditor of Saskatchewan in accordance with Canadian generally accepted auditing standards. Deloitte & Touche LLP and the Provincial Auditor of Saskatchewan have full and free access to the audit committee.

Dr. Robert G. McCulloch
President & CEO
August 6, 2004

Rand B. Smale C.A.
Chief Financial Officer
August 6, 2004

Auditors' Report to the Members of the Legislative Assembly of Saskatchewan

We have audited the statement of financial position of the Saskatchewan Institute of Applied Science and Technology ("SIAST") as at June 30, 2004, and the statements of operations, changes in net assets and cash flows for the year then ended. SIAST is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of SIAST as at June 30, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Saskatoon, Saskatchewan
August 6, 2004

Provincial Auditor
Regina, Saskatchewan
August 6, 2004

More than 60 First Nations young people took part in activities designed to foster interest in science, math and medicine during Kelsey's inaugural Super Summer Camp

Statement of Financial Position

June 30, 2004 with comparative figures for 2003
(in thousands of dollars)

	2004	2003
Assets		
Current assets:		
Cash	$ 1,531	$ 1,821
Marketable securities (note 3)	16,902	11,827
Accounts receivable (note 4)	4,588	4,618
Inventories (note 5)	1,697	1,567
Prepaid expenses	245	279
	24,963	20,112
Long term investments (note 6)	1,489	1,077
Capital assets (note 7)	24,920	24,751
	$ 51,372	**$ 45,940**
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 3,747	$ 3,742
Salaries and benefits payable	5,969	5,128
Unearned revenue (note 8)	4,190	3,742
Deferred contributions (note 9)	1,164	975
Deferred grants (note 10)	1,365	2,231
Current portion of obligation under capital leases (note 11)	173	159
	16,608	**15,977**
Obligation under capital leases (note 11)	414	542
Deferred contributions related to capital assets (note 12)	13,449	12,593
	30,471	**29,112**
Net assets:		
Net assets invested in capital assets	10,884	11,457
Net assets restricted for endowment (note 13)	583	356
Operating net assets	9,434	5,015
	20,901	**16,828**
Commitments (note 14)		
	$ 51,372	**$ 45,940**

See accompanying notes to financial statements.

On behalf of the board:

Chairyck Cheryl Bauer Hyde

Chair
Christine Boyczuk

Director
Cheryl Bauer Hyde

Statement of Operations

Year ended June 30, 2004 with comparative figures for 2003
(in thousands of dollars)

	2004 Budget	2004 Actual	2003 Actual
Revenue:			
Grants	$ 92,299	$ 92,620	$ 89,619
Contractual services	18,457	18,513	20,008
Tuition and fees	17,824	18,858	17,583
Sales	6,714	6,334	6,445
Amortization of deferred capital contributions	1,619	1,821	1,680
Investment	513	690	577
Donations	169	285	176
Rentals	88	101	117
	137,683	**139,222**	**136,205**
Expenses:			
Salaries and benefits	89,262	87,909	87,541
Facilities rental	17,719	17,825	17,065
Materials and supplies	9,122	8,736	9,037
Services	9,357	9,708	8,847
Amortization	6,049	5,643	6,058
Travel	3,718	3,125	2,997
Equipment rental and repairs	1,998	1,797	2,071
Scholarships and donations	458	633	447
	137,683	**135,376**	**134,063**
Excess of revenue over expenses	**$ -**	**$ 3,846**	**$ 2,142**

See accompanying notes to financial statements

Dean of students Blaine Jensen and Aboriginal counsellor Shelley Belhumeur help raise the tipi at SIAST's annual Aboriginal students conference.

Statement of Changes in Net Assets

Year ended June 30, 2004 with comparative figures for 2003
(in thousands of dollars)

	Invested In Capital Assets	Operating Net Assets	Restricted for Endowments	2004 Total	2003 Total
Balance, beginning of year	$ 11,457	$ 5,015	$ 356	$ 16,828	$ 14,330
Excess (deficiency) of revenues over expenses	(3,804)	7,650	-	3,846	2,142
Endowment contributions	-	-	227	227	356
Invested in capital assets	3,231	(3,231)	-	-	-
Balance, end of year	**$ 10,884**	**$ 9,434**	**$ 583**	**$ 20,901**	**$ 16,828**

See accompanying notes to financial statements

Statement of Cash Flows

Year ended June 30, 2004 with comparative figures for 2003
(in thousands of dollars)

	2004	2003
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	$ 3,846	$ 2,142
Items not affecting cash:		
Amortization of capital assets	5,643	6,058
Amortization of deferred capital contributions	(1,821)	(1,680)
Change in non-cash working capital (note 15)	551	(614)
Loss (gain) on sale of capital assets	(18)	61
Cash provided by operating activities	**8,201**	**5,967**
Financing and investing activities:		
Purchase of capital assets	(5,819)	(5,091)
Contributions for capital assets purchased	2,677	2,457
Increase in obligation under capital leases	44	77
Repayments of obligation under capital leases	(158)	(141)
Proceeds from sale of capital assets, net of capital lease obligation	25	153
Endowment contributions	227	356
Increase in marketable securities	(5,075)	(3,988)
Increase in long term investments	(412)	-
Cash used in financing and investing activities	**(8,491)**	**(6,177)**
Net decrease in cash	**(290)**	**(210)**
Cash, beginning of year	1,821	2,031
Cash, end of year	**$ 1,531**	**$ 1,821**

See accompanying notes to financial statements

Notes To Financial Statements

Year ended June 30, 2004
(in thousands of dollars)

1. **Statutory authority:**

Saskatchewan Institute of Applied Science and Technology (SIAST) was established as a public educational corporation by the Legislative Assembly of Saskatchewan under *The Institute Act* and is continued under *The Saskatchewan Institute of Applied Science and Technology Act.*

2. **Significant accounting policies:**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and include the following significant accounting policies:

a) Revenue recognition:
SIAST follows the deferral method of accounting for grants and other contributions. Grants and contributions for expenses of future periods are deferred and recognized as revenue in the year in which the related expense is incurred.

Grants for capital assets are deferred and recognized as revenue on the same basis as the acquired capital assets are amortized.

Contributions to trusts are recognized as donation revenue in the year in which the related expenses are incurred.

Endowment contributions are recognized as direct increases in net assets in the year received or receivable.

Investment income earned on trust and endowments is allocated to the deferred contributions and assets restricted for endowments.

Revenue from contractual services is recognized as the service is delivered. Revenue from tuition and fees is recognized as the course instruction is delivered.

b) Inventories:
Inventories consist of merchandise and supplies held for resale and are valued at the lower of cost and net realizable value. Administrative and program supplies and library periodicals are not inventoried.

c) Capital assets:
Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution with an offsetting amount recorded to deferred contributions relating to capital assets. Amortization is charged to operations on the straight line basis over the following estimated useful lives of the assets:

Asset	Period
Industrial and heavy equipment	10 years
Furniture	10 years
Office equipment, specialized equipment and library	5 years
Vehicles	8 years
Leasehold improvements:	
SPMC owned properties	15 years
Other properties	Lease term
Computer equipment	3 years

d) Marketable securities:
Marketable securities are stated at cost, which approximates market.

e) Long term investments:
Long term investments consist of pooled investment funds valued at market and various equities, bonds and cash equivalents valued at cost, which approximates market.

f) Use of estimates:
The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions regarding the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the year. Actual amounts may differ from these estimates.

In the spring, SaskEnergy shipped more than 250 high school students and potential recruits to our Regina campus for a whirlwind day of touring.

Notes To Financial Statements - continued

Year ended June 30, 2004
(in thousands of dollars)

3. Marketable securities:

		2004		2003
Commercial paper	$	16,902	$	11,827
	$	**16,902**	**$**	**11,827**

4. Accounts receivable:

		2004		2003
Tuition fees	$	145	$	169
Programs delivered		1,235		1,059
Federal government		626		552
Provincial government - General Revenue Fund		1,993		2,295
Other		589		543
	$	**4,588**	**$**	**4,618**

5. Inventories:

		2004		2003
Bookstores	$	1,473	$	1,355
Food services		74		68
Shop and service supplies		150		144
	$	**1,697**	**$**	**1,567**

Notes To Financial Statements - continued

Year ended June 30, 2004
(in thousands of dollars)

6. Long term investments:

	2004	2003
Equities	$ 392	$ -
Pooled investment funds	595	732
Bonds	412	201
Cash equivalents	90	144
	$ 1,489	**$ 1,077**

7. Capital assets:

	Cost	Accumulated Amortization	2004 Net Book Value	2003 Net Book Value
Vehicles and equipment	$ 73,472	$ 59,923	$ 13,549	$ 13,461
Leasehold improvements	16,427	5,056	11,371	11,290
	$ 89,899	**$ 64,979**	**$ 24,920**	**$ 24,751**

The net book value of assets under capital lease was $510 (2003 - $629).

8. Unearned revenue:

	2004	2003
Tuition and fees	$ 1,170	$ 1,166
Contractual services	896	674
Grants - operations and rent	2,064	1,844
Other	60	58
	$ 4,190	**$ 3,742**

9. Deferred contributions:

Deferred contributions represent trust funds which are unexpended resources externally restricted for scholarships and other purposes.

	2004	2003
Beginning balance	$ 975	$ 229
Transferred from foundations	-	698
Contributions and investment income received during the year	478	152
Recognized as donation revenue	(225)	(104)
Transferred to endowments	(64)	-
	$ 1,164	**$ 975**

Welcome to Woodland Week at SIAST in Prince Albert included activities from a pipe ceremony to pool to a tug-of-war.

Notes To Financial Statements - continued

Year ended June 30, 2004
(in thousands of dollars)

10. Deferred grants:

	Skills Training	Capital Assets	2004 Total	2003 Total
Beginning balance	$ 1,188	$ 1,043	$ 2,231	$ 2,549
Amount received	1,309	1,800	3,109	1,809
Recognized in the year	(1,733)	(2,242)	(3,975)	(2,127)
Ending balance	**$ 764**	**$ 601**	**$ 1,365**	**$ 2,231**

Skills Training deferred grants represent unspent grants which are restricted to the Skills Training programs. Under these programs, the Department of Learning provides funding to enable SIAST to respond regionally to emerging skills shortages. Capital assets represent unspent grants for capital assets.

11. Obligation under capital leases:

	2004	2003
Beginning balance	$ 701	$ 765
Repayments during the year	(158)	(141)
Additions during the year	44	77
Ending balance, overall	**587**	**701**
Less current portion	173	159
Long term ending balance	**$ 414**	**$ 542**
Minimum lease payments under the capital leases are as follows:		
2005		$ 217
2006		217
2007		200
2008		31
2009		9
Total minimum lease payments		**674**
Less amount representing future interest		87
Net obligation under capital leases		**$ 587**

Interest rates on the leases range from 7.2% to 11.4%. Interest expensed during the year amounted to $58 (2003 - $66).

Notes To Financial Statements - continued

Year ended June 30, 2004
(in thousands of dollars)

12. Deferred contributions related to capital assets:

	2004	2003
Beginning balance	$ 12,593	$ 11,816
Amortization	(1,821)	(1,680)
Contributions for capital assets purchased	2,677	2,457
	$ 13,449	**$ 12,593**

Deferred contributions related to capital assets represent the unamortized portion of grants expended for capital assets.

13. Net assets restricted for endowment:

Endowments consist of donations to SIAST where the donor requires SIAST to maintain the principal intact in perpetuity. For fiscal 2004, disbursements out of endowment funds were restricted to 5% of the principal and were funded by investment income generated by the funds.

14. Commitments:

SIAST has a number of operating lease commitments pertaining to land and buildings and equipment. All land and buildings are leased on a continuing basis from the Saskatchewan Property Management Corporation ("SPMC"). The equipment is leased from various private lessors.

A summary of the future minimum operating lease commitments over the next five years is as follows:

	Land and Buildings SPMC	Equipment Other Lessor	Other	Total
2005	$ 17,969	$ 1,093	$ 335	$ 19,397
2006	17,969	263	832	19,064
2007	17,969	261	-	18,230
2008	17,969	93	-	18,062
2009	17,969	20	-	17,989

Other commitments relate to items contained in the collective bargaining agreement. SIAST is committed to provide annual funding towards professional development and a succession planning incentive plan.

15. Change in non-cash working capital:

	2004	2003
Accounts receivable	$ 30	$ 411
Inventories	(130)	124
Prepaid expenses	34	(87)
Accounts payable and accrued liabilities	5	(205)
Salaries and benefits payable	841	(1,090)
Unearned revenue	448	(195)
Deferred contributions	189	746
Deferred grants	(866)	(318)
	$ 551	**$ (614)**

In fall 2003, variations of SIAST's new vision statement echoed in hallways across the organization as employees competed for prizes in a contest held to officially launch the vision.

Notes To Financial Statements - continued

Year ended June 30, 2004
(in thousands of dollars)

16. Financial assets and liabilities:

Cash, marketable securities, accounts receivable, accounts payable and accrued liabilities and salaries and benefits payable are all short-term in nature and as such, their carrying value approximates fair value.

17. Related parties:

Included in the financial statements are revenue and expense amounts resulting from routine transactions conducted at prevailing market prices with various Saskatchewan Crown-controlled departments, agencies and corporations with which SIAST is related. Account balances resulting from these transactions are included in the balance sheet and settled on normal trade terms. Other transactions with related parties are disclosed elsewhere in these statements.

During the year, SIAST recognized revenue from the General Revenue Fund of the Government of Saskatchewan for operations and rent in the amount of $92,620 (2003 - $88,061). The Department of Learning through the General Revenue Fund also funds training on a contractual basis. During the year, $5,554 (2003 - $7,445) was recognized for these contractual programs.

SIAST also recognized revenue for contractual services from the Government of Saskatchewan regional colleges for $3,125 (2003 - $3,825). SIAST made payments to regional colleges totaling $312 (2003 - $266).

SIAST recognized revenue for contractual services of $5,985 (2003 - $6,091) from the Saskatchewan Apprenticeship and Trade Certification Commission to provide apprenticeship training. These transactions are at negotiated rates.

SIAST paid SPMC $20,124 (2003 - $20,668) for accommodation, construction management, utilities and other services. These transactions are at rates set by SPMC.

Included in services expenses is $1,731 (2003 - $1,662) paid to SaskTel for communication services. These transactions are recorded at rates set by SaskTel.

SIAST also pays Saskatchewan Government Insurance for licences and fees of $83 (2003 - $78).

Marketable securities of $16,902 as set out in note 3, are held by the Department of Finance as custodian.

SIAST employees participate in various multi-employer defined benefit and money purchase type pension plans. The majority of these are managed and administered by the Department of Finance. Employer contributions for money purchase plans are included in expenses in these financial statements. Employer obligations associated with the defined benefit pension plans are the responsibility of the General Revenue Fund of the Government of Saskatchewan.

Payments to other related agencies included: Public Employees Pension Plan $6,177 (2003 - $6,501), Public Service Superannuation Plan $257 (2003 - $319), Public Employees Dental Plan $643 (2003 - $729), University of Saskatchewan $344 (2003 - $326), University of Regina $76 (2003 - $37) and the Workers Compensation Board of Saskatchewan $420 (2003 - $396).

Notes To Financial Statements - continued

Year ended June 30, 2004
(in thousands of dollars)

18. Expenses by function:

Following is a summary of expenses by function:

	2004	2003
Programs	$ 82,014	$ 82,256
Facilities	19,090	18,594
Student services	9,775	9,801
Ancillary	5,440	5,720
Administration	19,057	17,692
	$ 135,376	**$ 134,063**

19. Comparative figures:

Certain of the prior year amounts have been reclassified to conform to the current year's presentation.

Wascana employees and students participating in a Regina charity walk raised more than $4,000 in support of breast cancer research

SIAST Administrative Offices

400-119 4th Avenue South
Saskatoon SK S7K 5X2
Tel: (306) 933-7331
Fax: (306) 933-7334

SIAST Kelsey Campus

Idylwyld and 33rd Street
P.O. Box 1520
Saskatoon SK S7K 3R5
Tel: (306) 933-6350
Fax: (306) 933-6490

SIAST Palliser Campus

Saskatchewan Street
and 6th Avenue NW
P.O. Box 1420
Moose Jaw SK S6H 4R4
Tel: (306) 694-3200
Fax: (306) 694-3591

SIAST Wascana Campus

4500 Wascana Parkway
P.O. Box 556
Regina SK S4P 3A3
Tel: (306) 798-4356
Fax: (306) 798-4278

SIAST Woodland Campus

1100 15th Street East
P.O. Box 3003
Prince Albert SK S6V 6G1
Tel: (306) 953-7000
Fax: (306) 953-7099

Visit our website at:
www.goSIAST.com

SIAST Senior Management Council:

President and
Chief Executive Officer
Dr. Robert G. McCulloch

Vice-President, Programs
Claude Naud

Chief Financial Officer
Rand Smale

Chief Human
Resource Officer
Gary Mearns

Director, Institutional
Affairs
Glenys Hanson

SIAST Deans and Academic Directors:

Associate Vice-President
David Wallis

Associated Studies
Lance Moen

Basic Education
Brian Kraus

Business & Agriculture
Wolfgang Langenbacher

Community Services
Barb Bremner

Industrial Training
TBA

Library Services
Heather West

Nursing
Diana Davidson Dick

Planning, Research
& Development
Gerlinde Sarkar

Registrar
Alison Pickrell

Science & Health
Judy Layne

Skills Initiatives
Barb Heise

Students
Blaine Jensen

Technology
Arnold Boldt

Virtual Campus
David Francis

Campus Directors:

Moose Jaw
SIAST Palliser Campus
Don Shanner

Prince Albert
SIAST Woodland Campus
Larry Fladager

Regina
SIAST Wascana Campus
Noel Selinger

Saskatoon
SIAST Kelsey Campus
Gerry Bonsal

Senior Administrators:

Application and Data
Resources
Garth McCormick

Client Services
Lawrence Boehm

Communications
Patricia Gillies

Compensation &
Benefits
Judy Grimwood

Controller
Patsy Gilchrist

Development
Lisa Laskowski

Financial Planning
Cheryl McMillan

International Services
David Harvey

Labour Relations
Gary Crawford

Networks and Systems
Raymond Saunders

Staff Recruitment and
Development
Jodi Drury

Putting knowledge to work.

www.goSIAST.com